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SUBJECT: ICELAND: POLITICAL PARTY PRIMARIES MOSTLY REGENERATE THE  
USUAL SUSPECTS

Ref: Reykjavik 053

11. (U) Summary: Iceland's largest round of party primary elections ahead of the April 25 Althingi elections were held this past weekend. Public calls for renewal of candidate lists did not produce the intended results and many incumbent MPs won reelection on their party lists. Voter turnout at the primaries was far below average, and could explain the lack of new faces. The primaries confirmed the arrival of a new generation of leaders on the scene as many in the old guard have announced their retirement from politics lately. PM Sigurdardottir won a large victory in the SDA primary in Reykjavik, which was thought to be enough push for her to declare her candidacy for the SDA chair, but she has not made any announcements yet. Hopes that new political movements would spring up appear to be unfounded as the four largest parties rule the political landscape, but forecasts for the April 25 vote are unclear as there are still many undecided voters. End Summary.

12. (U) During the weekend of March 13-15, Iceland's four largest political parties held most of their primary elections to determine the lineup of their candidates in the upcoming parliamentary elections. The parties also released the results of mail-in vote primaries that took place last week. The results mostly confirmed the position of incumbent MPs but cleared the road for rising leaders in the two major parties. In the Southwest Constituency, MP Arni Pall Arnason (and former Deputy Chairman of the parliamentary Foreign Affairs Committee), won the first seat on the Social Democratic Alliance (SDA) ballot. His name has been tossed around as a potential future party leader. Prime Minister Johanna Sigurdardottir took the Reykjavik SDA primary by storm, followed by incumbent MPs and three non-MPs in the top seats. Sigurdardottir was widely expected to declare her candidacy this week for SDA Chair after this dominant showing. A new party leadership will be elected at the SDA national congress to be held on March 26-29.

13. (SBU) Sigurdardottir's imitation of Hamlet has taken on new significance now that several days have passed since the Reykjavik primary without an announcement from the PM. An SDA MP posited before the weekend that Sigurdardottir "just isn't that interested" in being party chair and would have preferred to retire at the end of the current Althingi term. A close associate of outgoing party chair Gisladdottir said that Gisladdottir's departure had been a major blow to the PM, not just to the party, and that Sigurdardottir had little enthusiasm for the challenge without having her close friend Gisladdottir nearby. SDA stalwarts have since pressured Sigurdardottir very publicly to change her mind; one hundred and fifty of Sigurdardottir's most fervent supporters are planning a highly publicized event where they will present her with their signatures stating their support. This seems to have been somewhat successful as Sigurdardottir now claims to be thinking about the possibility of running.

14. (U) A new generation of Independence Party (IP) leaders, MP Bjarni Benediktsson and MP Illugi Gunnarsson, won the first seats in the Southwest Constituency and the Reykjavik Constituency, respectively. Benediktsson is the only candidate for the chair of

the IP after his competition, former MinHealth Gudlaugur Thor Thordarson, confirmed his intention not to run for chair over the weekend. Benediktsson has long been rumored to have his eyes on the chairmanship of the party. He is from a staunch IP family, including a relative of the same name who was Prime Minister and Minister of Justice in the 1960s, as well as former Minister of Justice Bjorn Bjarnason, who will retire from politics this April. Another young IP politician and possible future leader, MP Ragnheidur Elin Arnadottir, had a dominant showing in the South Constituency and leads the IP list there.

15. (SBU) Voter participation in the primaries was much lower than in 2007, and there was only a 40-50 percent turnout in each district on average. In some cases this means that the election is not binding and that boards of constituent councils may change the final lineup. Protests here through the fall and winter have been noteworthy in calling for new candidates to declare their candidacy for the upcoming parliamentary elections. However, even though there were many more candidates this time compared with 2007, the results of the primaries proved disappointing to those calling for changes since many incumbent MPs seem set to continue in office. Only a few newcomers from this weekend's primaries are likely to secure a seat in the parliament. Perhaps the most notable of these is Tryggvi Thor Herbertsson -- an economist and former economic advisor to PM Geir Haarde -- who won the second seat in the IP's primary in the Northeast Constituency.

16. (U) The polling agencies are already churning out the pre-election opinion polls, with the most recent released on March 13 showing the three largest parties all running very close. According to the Gallup poll, the IP has 28.8 percent support and the SDA 28.3 percent, well within the poll's margin of error. The Left-Green Movement has 25.7 percent support. The Progressive Party

REYKJAVIK 00000057 002 OF 002

has 12.6 percent, and the Liberal Party 1.6 percent (well below the five percent threshold needed to earn a seat in the Althingi). The poll also held bad news for two new political movements, the Union of Independent Candidates and the Citizens' Movement, whose combined support was just over two percent. However, the number of undecided voters remains high at 20 percent. A slightly larger group said they supported the government now than did in the last Gallup poll, which was conducted at the end of last month: 58.3 percent now, up from 57.1 percent in the last poll.

17. (SBU) Comment: Some of Iceland's foremost political commentators said that the results of this past weekend's primaries signified an important generational shift, where many new up and coming leaders have finally been elected into the top ranks of their parties. However, these commentators seem to be overlooking the fact that voter turnout was very low compared to recent years. Moderate advertising brought on by the short campaign and hard financial times can perhaps explain this, but another convincing reason could be general voter lethargy and lack of confidence in Icelandic politics. Recent poll results appear to support this argument since the number of undecided voters is still quite high, and the leading parties are all running very close. The primaries also confirmed that the Independence Party is likely to maintain its trans-Atlantic outlook -- both Benediktsson and IP Vice Chair Thorgerdur Katrin Gunnarsdottir, who is largely unopposed in her reelection bid, favor strong ties with the U.S. To the likely disappointment of some in the IP, however, they are also both strong proponents of Icelandic membership in the EU. As for the Prime Minister's SDA, the weekend's results only increased the pressure on Sigurdardottir to step forward as the new party chair. Her reluctance to do so is palpable, but we believe the utter lack of any alternative leadership within the party will win her over in the end. End Comment.

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